



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
FE 893.114 Narcotics/2650

November 20, 1939

STRICTLY CONFIDENTIAL

Attention: Customs Agency Service

The Secretary of State presents his compliments to the Honorable the Secretary of the Treasury, and encloses herewith, for the strictly confidential information of the Treasury Department, two copies of despatch no. 59, dated September 20, 1939, from the American Consulate at Amoy, in regard to the legalization of the use of opium in the city of Amoy.

Enclosure:

From Consulate, Amoy,
no. 59, September 20, 1939,
in duplicate.

Amoy

[Signature]

No. 59.

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AMERICAN CONSULATE,

Amoy, China, September 20, 1939.

Subject: Licensed Opium Dens in Amoy.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to submit certain information concerning the legalization of the use of opium in the city of Amoy, which has been under Japanese occupation since May 1938.

Before the city was taken by the Japanese, the sale and use of opium was forbidden by the Chinese authorities, and it is understood that a considerable degree of success attended their efforts to eradicate the traffic. Soon after the Japanese entered, there was a noticeable increase in the trade, and it is understood that it was for the most part carried on by Formosans (Japanese subjects of the Chinese race) who must have had the connivance and tacit approval of the Japanese Navy, which actively controlled the city behind a facade of Chinese puppets.

In the spring of 1939 there was set up the Amoy Liaison Office of the China Affairs Board, which was one of a number of such offices established in various parts of China with the chief object of reconstructing and developing the country

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under the Japanese aegis for the creation of "a new order in East Asia." The Amoy Liaison Office was the creature of the Japanese Navy, just as similar offices in North China have been under the control of the Army. Officers were transferred to it from the active service. Ever since its establishment, the organization has interested itself in such legitimate enterprises as the setting up of an Amoy Municipal Government, operation of the water-works and the electric light plant, and the like.

For reasons discussed below, this organization decided to sanction the use of opium in Amoy, and began licensing opium dens. It was recently learned from an accurate source that at the present time there are about fifty such dens in the city, which has a population of roughly 50,000, according to a Japanese estimate, and considerably less according to foreign estimates. In-formation concerning the source of the opium, the quantity used, the number of addicts, the retail price, and other details has not been received.

The ostensible reason for "legalizing" the use of opium in a city which had been largely free from the traffic was that funds were needed by the puppet Amoy Municipality, and that there was no other readily available source of revenue. At the same time, according to Japanese gossip, the fact was brought to light that certain unscrupulous Chinese merchants "persuaded" certain naval officers in the Liaison Office to advocate the licensing system.

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Whatever the reason, there is no doubt that the Japanese Navy must bear the onus of having re-introduced the legal use of opium in the city of Amoy, populated for the most part by Chinese of the poorest classes. It should also be added that at least three large gambling establishments have been granted licenses, the authorities giving the same excuse of impotency for this action.

Respectfully yours,

K. deG. MacVitty
American Consul

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HMB/O

Transmitted in quintuplicate.
Copy to American Embassy, Peking.
" " " " Chungking.
" " " " Tokyo.
" " Treasury Attache, Shanghai.

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